

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:
Hamilton Post Office
Hamilton, Iowa

Docket No. A2011-26

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(September 14, 2011)

On July 21, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked July 12, 2011, from postal customer Bruce Pettyjohn (Petitioner), along with two additional pieces of correspondence from customers Wanda Clark and Marlene Allen, objecting to the discontinuance of the Post Office at Hamilton, Iowa. Also on July 21, 2011, the Commission issued a Form 56, Notice of Filing under 39 U.S.C. § 404(d). On July 22, 2011, the Commission issued Order No. 768, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 768, the administrative record was filed with the Commission on August 5, 2011 and was supplanted with an amended version filed on August 22, 2011. On August 9, 2011, the Petitioner filed a Form 61 in support of the petition. The Public Representative filed comments on August 25, 2011 recommending the Commission affirm the decision of the Postal Service to close the Hamilton Post Office. The following is the Postal Service's answering brief in support of its decision to discontinue the Hamilton Post Office.

The appeal received by the Commission on July 21, 2011, raises three main issues: (1) the effect on postal services, (2) the impact upon the Hamilton community,

and (3) the calculation of economic savings expected to result from discontinuing the Hamilton Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. Additionally, consistent with the Postal Service's statutory obligations and Commission precedent,¹ the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Hamilton Post Office should be affirmed.

Background

The Final Determination to Close the Hamilton, IA Post Office and Establish Service by Rural Route Service (FD), as well as the administrative record, indicate that the Hamilton Post Office provides EAS-53 level service to 34 Post Office Box customers, 83 delivery customers², and retail customers 22.5 hours per week. FD at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.³ The postmaster of the Hamilton Post Office resigned on September 11, 2002. A noncareer employee from a neighboring office was installed as the temporary officer-in-charge (OIC). Upon implementation of the Final Determination, the noncareer OIC may be separated from the Postal Service.⁴ The average number of daily retail window transactions at the Hamilton Post Office is three. Revenue has generally been low: \$7,603.00 in FY 2008 (20 revenue units); \$5,133.00 in FY 2009 (13

¹ See 39 U.S.C. 404(d)(2)(A).

² FD at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1, Item No. 33, Proposal, at 2. Every document in the administrative record notes 83 delivery customers, except for the Final Determination. This number appears to have been inadvertently omitted from the Final Determination.

³ In these comments, specific items in the administrative record are referred to as "Item ____."

⁴ FD, at 7.

revenue units); and \$4,495.00 in FY 2010 (12 revenue units).⁵ The Hamilton Post Office has no meter or permit customers. FD at 2; Item No. 18, Fact Sheet, at 1; Item No. 33, Proposal, at 2.

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Bussey Post Office, an EAS-13 level office located four miles away, which has 64 available Post Office Boxes. FD at 2; Item No. 18, Fact Sheet, at 1; Item No. 33, Proposal, at 2. This service will continue upon implementation of the FD. FD at 2.

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Hamilton Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Hamilton Post Office. Questionnaires were also available over the counter for retail customers at Hamilton. FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Hamilton Post Office, at 1. A letter from the Manager of Post Office Operations, Cedar Rapids, IA was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Hamilton Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Bussey Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the

⁵ FD, at 2; Item No. 18, Fact Sheet, at 1; Item No. 33, Proposal, at 2.

service they were receiving and the effects of a possible change involving rural route delivery. Item No. 21, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. In addition, representatives from the Postal Service were available at the Hamilton Community Center for a community meeting on March 29, 2011, to answer questions and provide information to customers. FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal, at 2. Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Hamilton Post Office and the Bussey Post Office from April 18, 2011 to June 19, 2011. FD, at 4; Item No. 33, Proposal, at 7. The FD was posted at the same two Post Offices starting on July 7, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record.

In light of the postmaster vacancy, a minimal workload, low office revenue,⁶ the variety of delivery and retail options (including the convenience of rural delivery and retail service),⁷ very little recent growth in the area,⁸ minimal impact upon the community, and the expected financial savings,⁹ the Postal Service issued the FD.¹⁰ Regular and effective postal services will continue to be provided to the Hamilton community in a cost-effective manner upon implementation of the final determination.

FD at 2.

⁶ See note 4 and accompanying text.

⁷ FD, at 2-5; Item No. 33, Proposal, at 2-5.

⁸ Item No. 16, Community Survey Sheet.

⁹ FD, at 2 and 7; Item No. 17, Cost Analysis; Item No. 18, Fact Sheet, at 1; Item No. 29, Proposal Checklist, at 1-2; Item No. 33, Proposal, at 2 and 7.

¹⁰ FD, at 2-7.

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Hamilton Post Office on postal services provided to Hamilton customers. The closing is premised upon providing regular and effective postal services to Hamilton customers.

The Petitioner, in his letter of appeal, raises the issue of the effect on postal services of the Hamilton Post Office's closing, noting the convenience of the Hamilton Post Office and requesting its retention. The Petitioner expresses particular concern about vandalism and the East Street Road not being appropriate for the placement of roadside mailboxes or rural delivery. Each of these concerns was considered by the Postal Service.

The Hamilton Post Office has reduced hours because of the lack of mail volume and window transactions at the Hamilton Post Office. Item No. 33, Proposal, at 2 and 7. The Postal Service determines postmaster level and Post Office service hours by analyzing the workload of a Post Office. The Hamilton office qualifies for 22.5 hours of service weekly to 34 Post Office Box and 83 delivery customers. FD, at 2 and 7; Item No. 9, Worksheet for Calculating Workload Service Credit.¹¹ The Hamilton Post Office has an average of three daily retail window transactions. Item No. 10, Window Transaction Survey. Upon the implementation of the final determination, delivery and

¹¹ See Note 2.

retail services will be provided by rural route delivery emanating from the Bussey Post Office. The window service hours of the Bussey Post Office are from 9 a.m. to 12:00 p.m. and 1:00 p.m. to 4:15 p.m., Monday through Friday and 9 a.m. to 10:15 a.m. on Saturday. FD, at 2. In addition, customers opting for carrier service will have 24-hour access to their mail. FD, at 4.

The effect of the closing of the Hamilton Post Office on the availability of postal services to Hamilton residents was considered extensively by the Postal Service. FD at 2-5; Item No. 22, Proposal, at 2-5. Upon the implementation of the Final Determination, services provided at the post office, such as the sale of stamps, envelopes, postal cards, and money orders, will also be available from the carrier to a roadside mailbox located close to customers' residences. FD at 3-4; Item No. 33, Proposal, at 2-4; Item No. 21, Notice to Customers, at 4. Customers opting for carrier service will not have to pay post office box fees. FD at 4; Item No. 33, Proposal at 5. Carrier service also is beneficial to many senior citizens and those who face special challenges because they do not have to travel to the Post Office for service. FD at 2-3. In hardship cases, delivery can be made to the home of a customer. FD at 2-3.

Petitioner raised the issue of mail security. However, there has only been one report of vandalism. Item No. 14, Inspection Service/local law enforcement vandalism reports. Further, Cluster Box Units (CBU) can offer the security of individually locked mail compartments. Parcel lockers provide convenient parcel delivery for customers. FD at 4; Item No. 33, Proposal, at 5.

The Petitioner raised the issue of the East Street road in Hamilton not being suitable for rural delivery due to the condition of the shoulders. This issue does not appear to have been raised during the discontinuance study. The issue raised was regarding mailbox installation and maintenance as well as the denial of rural delivery to some customers. As addressed in the record, customers are responsible for the installation and maintenance of mailboxes. Customers must also ensure that the road where the mailbox will be placed meets certain Postal guidelines such as measuring at least 14 feet wide, not dead ending in a private driveway, and an adequate turning point preferably without backing out, before rural delivery will be approved. FD at 3 and 4; Item No. 33, Proposal, at 3 and 4. In addition to carrier service, customers, however, may opt for Post Office Box service at the nearby Bussey Post Office. There are 64 Post Office Boxes available for rent. FD at 2; Item No. 33, Proposal, at 2. The Bussey Post Office also provides nonpostal services, such as the distribution of government forms and a bulletin board for the posting of public information. FD at 2 and 6; Item No. 33, Proposal, at 2 and 5.

The Postal Service has considered the impact of closing the Hamilton Post Office upon the provision of postal services to Hamilton customers. Rural route delivery to CBUs installed on the carrier's line of travel provides similar access to retail service, alleviating the need to travel to the Post Office. FD at 2 and 4; Item No. 23, Postal Customer Questionnaire Analysis, at 1 and 2; Item No. 33, Proposal, at 2 and 5. Thus, the Postal Service has properly concluded that all Hamilton customers will continue to

receive regular and effective service via rural route delivery to CBUs installed on the carrier's line of travel.

Effect Upon the Hamilton Community

The Postal Service is obligated to consider the effect of its decision to close the Hamilton Post Office upon the Hamilton community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Hamilton is an incorporated rural community located in Marion County. The community is administered politically by a mayor and city council. Police protection is provided by the Marion County Sheriff Department and fire protection is provided by the Bussey or Lovilia Fire Department. The community is comprised of retired people, farmers/ranchers, and those who commute to work at nearby communities and work in local businesses. FD, at 6; Item No. 33, Proposal at 5. The questionnaires completed by Hamilton customers indicate that, in general, they travel elsewhere for other supplies and services. See generally FD at 6; Item No. 22, Returned customer questionnaires and Postal Service response letters, at 1-146.

The Petitioner's letter of appeal raises the issue of the effect of the closing of the Hamilton Post Office upon the Hamilton community. This issue also was considered by the Postal Service, as reflected in the administrative record. FD, at 6; Item No. 33, Proposal, at 5-6. The Postal Service recognizes that a community's identity derives

from the interest and vitality of its residents and their use of its name. The Postal Service is helping to preserve community identity by continuing the use of the Hamilton city name and ZIP Code in street addresses. FD, at 3; Item No. 33, Proposal, at 2. Communities generally require regular and effective postal services and these will continue to be provided to the Hamilton community. Further, carrier service is expected to be able to handle any future growth in the community. FD, at 3-4, Item No. 33, Proposal, at 6.

In addition, the Postal Service has concluded that nonpostal services provided by the Hamilton Post Office can be provided by the Bussey Post Office such as the posting of public information on bulletin boards. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 6; Item No. 33, Proposal, at 5.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Hamilton Post Office on the community served by the Hamilton Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Hamilton Post Office and would still provide regular and effective service. Item No. 21, Letter to Customer, at 1. The estimated

annual savings associated with discontinuing the Hamilton Post Office are \$16,157.00. FD at 7; Item No. 33, Proposal, at 7.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD, at 7; Item No. 33, Proposal, at 7.

The Postal Service determined that carrier service is more cost-effective than maintaining the Hamilton postal facility and postmaster position. FD, at 7. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster resigned on September 11, 2002. The Hamilton Post Office did have a noncareer OIC. However, upon implementation of the Final Determination, the noncareer OIC may be separated from the Postal Service. The record shows that no other employee would be adversely affected by this closing. FD, at 2 and 7; Item No. 15, Post Office Survey Sheet, at 1; Item No. 33, Proposal, at 2 and 7. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Hamilton Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Hamilton Post Office on the provision of postal services and on the Hamilton community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Hamilton customers. FD, at 5. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Hamilton Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Hamilton Post Office be affirmed.

Respectfully submitted,

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